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TELEGRAM

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FM SECSTATE WASHDC

TO AMEMBASSY LONDON

INFO AMEMBASSY ISLAMABAD

UNCLAS STATE 199448

ATTN: JENNIFER TIDMARSH/ROBERT BRUCE McMULLEN

E.O. 12356: N/A

TAGS: N/A

SUBJECT: AFGHANISTAN REQUEST FOR INFORMATION

REF. ISLAMABAD 12213, BURTON-MALICK PAKAFAX (84/26/88)

1. ROBERT BRUCE McMULLEN OF U.S. EMBASSY/LONDON COPIED TO JEFF MALICK OF A.I.D. A LETTER FROM PETER J. BURTON OF OVERSEAS DEVELOPMENT ADMINISTRATION, LONDON, REQUESTING FROM A.I.D. INFORMATION ON THE OPERATIONS OF AFGHANISTAN LONDON-BASED NON-GOVERNMENTAL ORGANIZATION. WE CABLED OUR FIELD OFFICE IN ISLAMABAD FOR COMMENTS WHICH ARE PROVIDED BELOW IN LETTER FORM. REQUEST THAT EMBASSY COPY LETTER AND FORWARD TO BURTON. ASSISTANCE APPRECIATED.

2. QUOTE DRAFT REPLY

DEAR MR. BURTON:

THANK YOU FOR YOUR LETTER OF APRIL 21, 1988, ASKING FOR OUR VIEWS ON A.I.D. FINANCED AFGHANISTAN OPERATIONS.

SINCE 1985, A.I.D. HAS PROVIDED GRANTS TO AFGHANISTAN FOR

TWO TYPES OF ACTIVITIES: (1) CASH-FOR-FOOD, AND (2) AN AMBULANCE PROJECT. APPROXIMATELY DOLS 3.4 MILLION HAS BEEN PROVIDED FOR CASH-FOR-FOOD PROGRAMS AND A SMALL GRANT OF DOLS 128,888 WAS MADE FOR THE AMBULANCE PROJECT.

THOUGH AFGHANISTAN STAFF WAS ENTHUSIASTIC AND COMMITTED TO THEIR WORK WITH AFGHANS, THE ORGANIZATION INITIALLY FACED MANAGERIAL PROBLEMS AND INADEQUATE SYSTEMS OF ACCOUNTING WHICH HAMPERED ITS EFFECTIVENESS. FOR EXAMPLE, AUTHORITY WAS CENTRALIZED IN AFGHANISTAN'S LONDON HEADQUARTERS WITH VIRTUALLY NO DECISION MAKING PERMITTED AT ITS FIELD OFFICE IN PESHAWAR. THIS SITUATION IMPEDED IMPLEMENTATION OF THE AMBULANCE PROJECT, WHICH WAS SUBSEQUENTLY TERMINATED, AND RESULTED IN LATE REPORTING ON BOTH ACTIVITIES MENTIONED ABOVE. ADEQUATE SYSTEMS OF ACCOUNTING FOR FINANCIAL RESOURCES WERE ALSO NOT WELL ESTABLISHED.

AFTER A.I.D.'S REVIEW OF AFGHANISTAN'S ACTIVITIES IN 1987, THE ORGANIZATION HAS MADE SIGNIFICANT MANAGERIAL CHANGES AND HAS MOVED TO ESTABLISH AN ADEQUATE SYSTEM OF ACCOUNTING OF FUNDS IT RECEIVES. ORGANIZATIONAL MANAGEMENT HAS IMPROVED WITH THE APPOINTMENT OF A NEW PESHAWAR DIRECTOR WHO HAS BEEN GIVEN INCREASED DELEGATION OF AUTHORITY TO IMPLEMENT PROGRAMS, AND PROGRESS HAS BEEN MADE IN ESTABLISHING AN ADEQUATE ACCOUNTING SYSTEM. THESE IMPROVEMENTS HAVE LED TO

INCREASED EFFECTIVENESS IN AFGHANISTAN'S OPERATIONS. HOWEVER, TIMELY REPORTING TO THE INTERNATIONAL RESCUE COMMITTEE (A.I.D.'S INTERMEDIARY) OF MAJOR EVENTS CONCERNING A.I.D.'S CURRENT GRANT IS AN AREA REQUIRING IMPROVEMENT. WHILE A.I.D. EXPECTS TO CONSIDER REQUESTS FOR FUTURE GRANTS FROM AFGHANISTAN, WE HAVE ENCOURAGED A DIVERSIFICATION IN SOURCES OF FUNDING. THEREFORE, WE WOULD LOOK FORWARD TO AN EXPANDED ROLE BY ODA IN THIS REGARD. SINCERELY, JEFF MALICK, OFFICER IN CHARGE, AFGHANISTAN DESK, A.I.D. END QUOTE. WHITEHEAD

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